

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
T-NETIX, INC. and TZ Holdings, Inc.)
Application for Authority to Transfer of)
Control pursuant to Section 214 of the)
Communications Act of 1934, as amended)

File No. _____

DOMESTIC 214 TRANSFER OF CONTROL APPLICATION

Pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. Section 214, and Section 63.04 of the Commission's Rules, 47 C.F.R. Section 63.04, T-NETIX, Inc. ("Applicant"), a domestic corporation organized under the laws of Delaware, hereby requests authority to transfer control of the company to TZ Holdings, Inc. ("Buyer").

Applicant seeks to sell 100% of its outstanding stock in T-NETIX, Inc. to TZ Holdings, Inc. a domestic corporation organized under the laws of the State of Delaware. Through the proposed transaction (herein the "Transfer"), Applicant will become a wholly-owned subsidiary of Buyer, but will continue to exist as a separate entity. Applicant is currently authorized to provide interstate interexchange telecommunications services, and will retain its status as a telecommunications services provider under the name T-NETIX, Inc. after the Transfer. Upon consummation of the Transfer, Applicant will become a wholly-owned subsidiary of Buyer, whose ultimate parent company is H.I.G. Capital Partners III, L.P.

Applicant respectfully requests approval of the proposed Transfer. In support of this Application, Applicant provides the following summary information:

1. PARTIES TO THE TRANSFER

Buyer is a company organized under the laws of Delaware with its principal office located in Florida. Buyer is not a telecommunications provider. Buyer is a holding corporation organized for the purpose of holding TZ Acquisition, Inc. which in turn, was formed for the purpose of merging with and into Applicant. When the Transfer is consummated, TZ Acquisition, Inc. will merge out of existence and Applicant will survive.

H.I.G. Capital Partners III, L.P., a Delaware limited partnership, ("H.I.G Capital") was formed as a vehicle for the acquisition of companies and is the ultimate parent of Buyer. H.I.G Capital has a diverse group of strategic partners who serve as an important resource in helping entrepreneurs and management teams build businesses of significant value. Investors include some of the world's leading investment banks, financial institutions, pension funds and endowments. H.I.G. Capital is a leading private equity and venture capital investment firm with more than \$1 Billion of equity capital under management.

On January 22, 2004, Applicant entered into an Agreement and Plan of Merger. Upon consummation of the Transfer, Buyer will own 100% of the outstanding shares of Common Stock in Applicant. Applicant will remain a separate operating company. This Agreement and Plan of Merger does not contemplate that Buyer, or its ultimate parent company, H.I.G. Capital, will operate directly as a telecommunications services provider.

2. DESCRIPTION OF TRANSFER

Pursuant to an Agreement and Plan of Merger (the "Agreement"), dated as of January 22, 2004, by and among Buyer, TZ Acquisition, Inc., a Delaware corporation and a direct wholly-owned subsidiary of Buyer ("Acquisition"), and Applicant, Buyer proposes to acquire up to 100% of the issued and outstanding shares of common stock, par value \$0.01 per share ("Common Stock"), of Applicant, for an aggregate purchase price of approximately \$69.2 million, based upon a purchase price of \$4.60 per share.

As contemplated by the terms of the Agreement, Buyer will make a first step tender offer to purchase all of the issued and outstanding shares of Common Stock at a purchase price of \$4.60 per share net to the seller in cash (the "Cash Tender Offer"). Subject to the terms and conditions of the Agreement, Buyer commenced the Cash Tender Offer on February 3, 2004. The Cash Tender Offer is initially scheduled to expire twenty business days after the date on which it commenced, unless extended. Upon completion of the Cash Tender Offer, Acquisition will merge with and into Applicant, with Applicant continuing as the surviving entity, and Applicant will become a direct wholly-owned subsidiary of Buyer. Immediately prior to the effective time of the Transfer, all issued and outstanding shares of Common Stock that were not acquired by Buyer in the Cash Tender Offer (if any) will be converted into and represent the right to receive an amount in cash, without interest, equal to \$4.60 per share.

Consummation of the Transfer is scheduled to occur as soon as practicable following the satisfaction or waiver of the conditions set forth in the Agreement including, among other things, completion of the Cash Tender Offer, approval of the stockholders of Applicant to the extent required by

applicable law, the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and receipt of all regulatory approvals.

3. TELECOMMUNICATIONS SERVICE PROVIDED AND AREAS SERVED

Applicant is a publicly traded Delaware corporation headquartered at 2155 Chenault Drive, Carrollton, Texas 75006. Applicant is authorized to provide collect calling services to inmates in correctional facilities in approximately 40 states. By way of information, Applicant's wholly-owned subsidiary, T-NETIX Telecommunications Services, Inc., ("TTS") is a Texas corporation, and is headquartered at the same address. TTS is authorized to provide collect calling services to inmates in correctional facilities throughout the continental United States. No change in the ownership or management of TTS is contemplated as a result of this Transfer.

Applicant, although authorized as domestic interexchange carrier, has no regulated retail operations. TTS, Applicant's wholly owned subsidiary, is the entity providing regulated services pursuant to the T-NETIX Telecommunications Services, Inc. tariff posted on its website at www.t-netix.com.

4. QUALIFICATION FOR STREAMLINED PROCESSING

This Application qualifies for streamlined processing under Section 63.03 (1)(b) and (2), because:

- (1) neither Applicant nor Buyer are facilities-based carriers;
- (2) Buyer is not a telecommunications provider;
- (3) the proposed Transfer will result in Buyer having less than 10 percent share of the interstate, interexchange market;
- (4) no local exchange services are provided, and no incumbent local exchange carrier is a party to this Transfer;
- (5) neither Applicant nor Buyer is a dominant carrier with respect to any service.

5. ADDITIONAL INFORMATION

No other applications related to the Transfer have been filed with the Federal Communications Commission.

Neither Applicant nor Buyer request any special consideration as neither party to the transaction are facing imminent business failure.

No waiver requests have been filed with respect to this transaction, and none are sought.

5. PUBLIC INTEREST CONSIDERATIONS

The proposed Transfer described herein will be transparent to customers, and will not result in the change of any rate, term or condition of service. Customers will continue to receive the same high-quality service at the same rates, terms and conditions. Significantly, customers should benefit from the proposed Transfer, as it will ensure that the Applicant has the capital necessary to grow and expand its business. It will also improve their overall financial condition by replacing high cost debt with lower cost debt, improving cash flow and thus enabling realization of significant economic and marketing efficiencies, thereby allowing Applicant to compete more effectively and efficiently in the competitive telecommunications marketplace, and enhancing the ability to offer high-quality cost-competitive services.

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TZ Holdings, Inc. attests to its qualification for streamlined processing under 63.12 as follows:

- T-NETIX, Inc. and TZ Holdings, Inc. respond to 63.18 (d) as follows:**

- TZ Holdings, Inc. is not a telecommunications carrier and has not received previous authority under Section 214.**

ATTACHMENT 2

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of T-NETIX, Inc.)
and TZ Holdings, Inc.: Application for)
Authority to Transfer of Control pursuant,)
to Section 214 of the Communications,) File No. _____
Act of 1934, as amended)

63.18 (H)

TZ Holdings, Inc. certifies that there exist no interlocking directorates with any foreign carrier. In support of its request TZ Holdings, Inc. submits the following information on its ten percent or greater direct and indirect shareholders or other equity holders:

No individual will own 10% or more of the equity in T-NETIX, Inc.

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION

Approved by OMB
3060-0589
Page No. ____ of ____

(1) LOCKBOX #

REMITTANCE ADVICE

SPECIAL USE

FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (If paying by credit card, enter name exactly as it appears on your card)

TECHNOLOGIES MANAGEMENT, INC

(3) TOTAL AMOUNT PAID (U S Dollars and cents)

\$860.00

(4) STREET ADDRESS LINE NO 1

210 PARK AVENUE NORTH

(5) STREET ADDRESS LINE NO 2

(6) CITY

WINTER PARK

(7) STATE

FLORIDA

(8) ZIP CODE

32789

(9) DAYTIME TELEPHONE NUMBER (Include area code)

407-740-8575

(10) COUNTRY CODE (If not in U S A)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN)

0005-0215-06

(12) FCC USE ONLY

IF MORE THAN ONE APPLICATION, USE CONTINUATION SHEETS (FORM 159-C)

COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(13) APPLICATION NAME

T-NETIX, INC

(14) STREET ADDRESS LINE NO 1

2155 CHENAULT DRIVE

(15) STREET ADDRESS LINE NO 2

SUITE 410

(16) CITY

CARROLTON

(17) STATE

TEXAS

(18) ZIP CODE

75006

(19) DAYTIME TELEPHONE NUMBER (Include area code)

972-241-1535

(20) COUNTRY CODE (If not in U S A)

FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN)

0010421980

(22) FCC USE ONLY

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE

CUT

(25A) QUANTITY

1

(26A) FEE DUE FOR (PTC)

(27A) TOTAL FEE \$860.00

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

IB2004000354

(25B) QUANTITY

(26B) FCC DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

SECTION D - CERTIFICATION

CERTIFICATION STATEMENT

I, Robin Norton, Consultant to T-NETIX, Inc., certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief

SIGNATURE

Robin Norton

DATE February 24, 2004

SECTION E - CREDIT CARD PAYMENT INFORMATION

MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____

ACCOUNT NUMBER _____

EXPIRATION DATE _____

I hereby authorize the FCC to charge my credit card for the service(s) / authorization herein described.

SIGNATURE _____

DATE _____



210 N Park Ave
Winter Park, FL
32789

P.O. Drawer 200
Winter Park, FL
32790-0200

Tel 407-740-8575
Fax 407-740-0613
tmi@tminc.com

February 24, 2004
Via Overnight Delivery

Ms Marlene H. Dortch, FCC Secretary
Federal Communications Commission
c/o Mellon Bank
Post Office Box 358145
Pittsburgh, PA 15251-5145

RE: Notice of Transfer of Control
In the Matter of T-NETIX, Inc. and TZ Holdings, Inc.:
Application for Authority to Transfer of Control pursuant
to Section 214 of the Communications Act of 1934, as amended

Dear Ms. Dortch:

Enclosed for filing please find one (1) original and one (1) copy of the Notice of Transfer of Control, Attachments I and II, filed on behalf of T-NETIX, Inc ("T-NETIX") along with the filing fee of \$860.00. T-NETIX is a certificated interstate interexchange telecommunications carrier. The stock of T-NETIX is being acquired by TZ Holdings, Inc. T-NETIX will continue to operate as a separate, wholly owned subsidiary of TZ Holdings, Inc. The key management positions of T-NETIX remain the same.

Questions or instructions pertaining to this transaction should be directed to my attention at (407) 740-3004 or rnorton@tminc.com.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed, stamped envelope enclosed for this purpose.

Sincerely,

Robin Norton
Consultant to T-NETIX

RN/rn

Enclosures

cc: Kendall Hollon - T-NETIX, Inc
file. T-NETIX, Inc. - FCC - Domestic
tms FCCX0401